



J. TYLER McCaULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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January 15, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **FRAUD HOTLINE STATUS REPORT**

The Los Angeles County Fraud Hotline opened 163 new investigations during the period from 10/1/2003 to 12/31/2003. We closed 128 of which 31 were Substantiated, 56 were Not Substantiated, and 41 were not investigated due to insufficient information (See Attachments I, and II for details). As of 12/31/2003, 291 investigations were in progress.

Based on the 31 Substantiated cases, the following personnel actions were taken.  
Note: some cases may include multiple suspects and multiple dispositions.

Prosecuted	2
Dismissed	2
Resigned	1
Reprimanded	1
Counseled	7
Procedures Changed	3
Pending	19

If you have any questions or need additional information, please call me or have your staff call Marion Romeis at (626) 293-1400.

Attachments

C: Audit Committee  
David E. Janssen, Chief Administrative Officer  
Department Heads  
Public Information Office

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

Attachment I



**SUMMARY OF SUBSTANTIATED CASES  
CLOSED BETWEEN**

Oct 01, 2003 and Dec 31, 2003

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**CASES INVESTIGATED BY AUDITOR CONTROLLER**

**Case Number: 20010354**

A Parks and Recreation employee stole camp revenue totaling \$33,086. The employee was terminated and pled no contest to felony charges. Sentencing is pending.

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**Case Number: 20030076**

Department of Mental Health (DMH) employees waived patients' Medi-Cal deductibles for prescription medications. Disciplinary action is pending.

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**Case Number: 20030183**

Department of Health Services (DHS) employees used their County computers to distribute pornography. Disciplinary action is pending.

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**Case Number: 20030223**

A Department of Children and Family Services (DCFS) employee accessed and collected pornographic material using a County computer and Internet access. Disciplinary action is pending.

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**Case Number: 20030262**

An employee for a Department of Community and Senior Services contractor embezzled over \$800,000 from the RITE program. The District Attorney (DA) is prosecuting the employee and other individuals.

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**Case Number: 20030284**

DCFS was missing four boxes of tokens valued at \$3,600. The case was referred to the Sheriff's Department for further investigation.

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**Case Number: 20030304**

DCFS was missing Target gift certificates valued at \$15,500. However, the parties responsible for the theft could not be identified. DCFS management changed procedures.

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**Case Number: 20030323**

A DCFS employee used a County computer to conduct personal business during work hours. Disciplinary action is pending.

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**Case Number: 20040015**

A Department of Consumer Affairs employee used a County computer and Internet access to download and distribute music and pornography and send personal correspondence. Disciplinary action is pending.

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**Case Number: 20040069**

A County contract was canceled after fiscal irregularities were discovered.

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**Case Number: 20040128**

Child pornography was found on the computer of a Fire Department employee. The case was referred to the DA for further investigation.

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**Case Number: 20040133**

A DCFS employee inappropriately used CWS/CMS to access confidential case information for personal use. Disciplinary action is pending.

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**Case Number: 20040143**

An Internal Services Department employee used his County computer to illegally access personal information from the computer of a private citizen. The case was referred to the DA for review.

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**Case Number: 20040160**

A DHS employee was convicted of a felony for forging a County warrant. The employee was sentenced to two weeks in jail, three years of probation, \$200 fine, and ordered to pay \$3,596 in restitution. The employee was also terminated.

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**Case Number: 20040235**

The Child Support Services Department was missing a child support payment totaling \$510. The party responsible for the theft was a private citizen and the case was referred to the U.S. Postal Service for further action.

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Total Cases Investigated By Auditor Controller

15

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**CASES REFERRED TO AND INVESTIGATED BY OTHER DEPARTMENTS**

**Case Number: 20010078**

A DPSS employee refused to pay two welfare recipients and one private individual for child care services they provided. The employee also violated Department policy and created a conflict of interest by hiring DPSS recipients. Disciplinary action is pending.

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**Case Number: 20010109**

A DPSS employee improperly used the WCMIS system and County equipment for personal use. Disciplinary action is pending.

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**Case Number: 20010187**

A DPSS employee improperly accessed confidential welfare recipient information for personal use. In addition, several other employees accessed confidential information for their assigned cases and/or allowed others to use their password. Disciplinary action is pending.

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**Case Number: 20010199**

A DPSS employee used County equipment for personal use. Disciplinary action is pending.

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**Case Number: 20020027**

A DHS employee failed to report his outside employment to the Department. The employee was counseled.

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**Case Number: 20020180**

A DCFS employee failed to comply with County policy when she brought her grandchildren to work during her regular work schedule. The employee was counseled.

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**Case Number: 20020327**

A DCFS employee accepted personal telephone calls at work to conduct non-County business. The employee was counseled.

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**Case Number: 20030084**

Three Coroner employees used County equipment to download pornography and falsified their timecards. Disciplinary action is pending.

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Attachment I



**SUMMARY OF SUBSTANTIATED CASES  
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**Oct 01, 2003 and Dec 31, 2003**

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**Case Number: 20030188**

A DCFS employee violated Department policy by accessing the CWS/CMS system to retrieve confidential information involving a child she was in the process of adopting. The employee was counseled.

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**Case Number: 20030336**

A DPSS employee accessed LEADER to locate the assigned Eligibility Worker for her son's Medi-Cal case. The employee also violated DPSS policy by co-habiting with a welfare recipient. Disciplinary action is pending.

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**Case Number: 20030370**

DHS physicians were not properly supervised, which resulted in inadequate supervision of Residents, physicians getting paid for hours not worked, and/or patients being transferred to other Medical facilities for services. Disciplinary action is pending.

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**Case Number: 20040004**

A DHS employee submitted a fraudulent medical statement and claimed sick benefits on her timecard while providing outside employment services. The employee resigned. In addition, the employee's supervisor was counseled.

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**Case Number: 20040018**

A DMH employee did not report actual hours worked on her timecard and failed to report her outside employment to the Department. The employee was counseled and Department management will change time reporting procedures.

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**SUMMARY OF SUBSTANTIATED CASES  
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Oct 01, 2003 and Dec 31, 2003

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**Case Number: 20040063**

A Department of Public Works employee sent an inappropriate e-mail message to a co-worker. The employee was reprimanded.

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**Case Number: 20040101**

A DHS employee inappropriately coded another employee's timecard without authorization. The employee was counseled.

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**Case Number: 20040173**

Petty cash totaling \$62 and 482 U.S. postage stamps valued at \$178 were missing from a DHS Health Center. However, the parties responsible could not be identified. The Department changed internal controls for petty cash and postage stamps.

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Total Cases Referred To And Investigated By Other Departments	16
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**Total Number of Substantiated Cases for this period is: 31**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

*Attachment II*



**Los Angeles County Fraud Hotline  
CLOSED CASE SUMMARY  
Oct 01, 2003 through Dec 31, 2003**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>No Response</i>	<i>Total</i>
<i>Affirmative Action Compliance</i>		1 (100%)			1 (100%)
<i>Children and Family Services</i>	3 (33%)	5 (56%)	1 (11%)		9 (100%)
<i>Coroner</i>	1 (100%)				1 (100%)
<i>Department of Mental Health</i>	1 (20%)	4 (80%)			5 (100%)
<i>Department of Parks and Recreation</i>		1 (100%)			1 (100%)
<i>Department of Public Social Services</i>	5 (24%)	16 (76%)			21 (100%)
<i>Department of Public Works</i>	1 (20%)	3 (60%)	1 (20%)		5 (100%)
<i>Department of Registrar- Recorder/County Clerk</i>		1 (100%)			1 (100%)
<i>Fire Department</i>		1 (100%)			1 (100%)
<i>Health Services</i>	5 (50%)	5 (50%)			10 (100%)
<i>Internal Services Department</i>		3 (100%)			3 (100%)
<i>Office of Assessor</i>		1 (100%)			1 (100%)
<i>Pending</i>		1 (3%)	35 (97%)		36 (100%)
<i>Probation Department</i>		3 (100%)			3 (100%)

**COUNTY OF LOS ANGELES  
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*Attachment II*



**Los Angeles County Fraud Hotline  
CLOSED CASE SUMMARY  
Oct 01, 2003 through Dec 31, 2003**

	<i>Substantiated</i>	<i>Not Substantiated</i>	<i>Not Investigated</i>	<i>No Response</i>	<i>Total</i>
<i>Sheriff's Department</i>		3 ( 75%)	1 ( 25%)		4 ( 100%)
<i>Special Investigations Unit</i>	15 ( 58%)	8 ( 31%)	3 ( 12%)		26 ( 100%)
<b>Grand Total</b>	<b>31 24.22%</b>	<b>56 43.75%</b>	<b>41 32.03%</b>	<b>0 0.00%</b>	<b>128 100.00%</b>